



U.S. Department of Justice

Federal Bureau of Investigation
Washington, D.C. 20535

August 24, 2016

MUCKROCK
DEPT MR 23709
411A HIGHLAND AVENUE
SOMERVILLE, MA 02144-2516

FOIPA Request No.: 1344387-001
Subject: BLACK, EDWIN FAHEY

Dear Mr. Best:

The enclosed documents were reviewed under the Freedom of Information Act (FOIA), Title 5, United States Code, Section 552. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Explanation of Exemptions:

Section 552		Section 552a
<input type="checkbox"/> (b)(1)	<input type="checkbox"/> (b)(7)(A)	<input type="checkbox"/> (d)(5)
<input type="checkbox"/> (b)(2)	<input type="checkbox"/> (b)(7)(B)	<input type="checkbox"/> (j)(2)
<input checked="" type="checkbox"/> (b)(3)	<input type="checkbox"/> (b)(7)(C)	<input type="checkbox"/> (k)(1)
<u>50 USC 3024(i)(1)</u>	<input checked="" type="checkbox"/> (b)(7)(D)	<input type="checkbox"/> (k)(2)
	<input checked="" type="checkbox"/> (b)(7)(E)	<input type="checkbox"/> (k)(3)
	<input type="checkbox"/> (b)(7)(F)	<input type="checkbox"/> (k)(4)
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<input type="checkbox"/> (b)(5)	<input type="checkbox"/> (b)(9)	<input type="checkbox"/> (k)(6)
<input type="checkbox"/> (b)(6)		<input type="checkbox"/> (k)(7)

7 pages were reviewed and 7 pages are being released.

☐ Document(s) were located which originated with, or contained information concerning, other Government Agency (ies) [OGA].

☐ This information has been referred to the OGA(s) for review and direct response to you.

☐ We are consulting with another agency. The FBI will correspond with you regarding this information when the consultation is completed.

☐ In accordance with standard FBI practice and pursuant to FOIA exemption (b)(7)(E) and Privacy Act exemption (j)(2) [5 U.S.C. § 552/552a (b)(7)(E)/(j)(2)], this response neither confirms nor denies the existence of your subject's name on any watch lists.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist. Enclosed for your information is a copy of the Explanation of Exemptions.

For questions regarding our determinations, visit the www.fbi.gov/foia website under "Contact Us." The FOIPA Request Number listed above has been assigned to your request. Please use this number in all correspondence concerning your request. Your patience is appreciated.

You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following web site: <https://foiaonline.regulations.gov/foia/action/public/home>. Your appeal must be postmarked or electronically transmitted within sixty (60) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so that it may be easily identified.

☐ The enclosed material is from the main investigative files in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

☑ See additional information which follows.

Sincerely,



David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosure(s)

In response to your Freedom of Information Act (FOIA) request, enclosed are cross-references which are identifiable with the subject of your request. Enclosed are processed copies of the FBI Headquarters and Canberra files 62-HQ-83818 serial 36 and 163A-CN-4 Sub A serial 24. Cross-references are defined as mentions of the subject of your request in files of other individuals, organizations, events, or activities. In processing the cross-references, the pages considered for possible release included only those pages which mention the subject of your request and any additional pages showing the context in which the subject of your request was mentioned. The cross-reference pages were processed pursuant to the provisions of the FOIA and are being released to you in redacted form. This material is being provided to you at no charge.

Records, which may be responsive to your Freedom of Information Act (FOIA) request, were destroyed. Since this material could not be reviewed, it is not known if it was responsive to your request. Record retention and disposal is carried out under the supervision of the National Archives and Records Administration (NARA), Title 44, United States Code, Section 3301 and Title 36, Code of Federal Regulations, Chapter 12, Sub-chapter B, Part 1228. The FBI Records Retention Plan and Disposition Schedules have been approved by the United States District Court for the District of Columbia and are monitored by NARA.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK, NEW YORK**

FILE NO.

ep

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b7E

REPORT MADE AT WASHINGTON, D.C.	DATE WHEN MADE 2/27/50	PERIOD FOR WHICH MADE 12/29/49, 1/20; 2/2, 3, 10, 13, 14/50	REPORT MADE BY DONALD D. CONNORS
TITLE ALEXANDER D. BOTEZ, was;			CHARACTER OF CASE ESPIONAGE - R

CC TO: *State*
 REQ. REC'D *5-3*
JUL 19 1967
 ANS. BY: *[Signature]*

SYNOPSIS OF FACTS:

subject:

-RUC-

REFERENCE:

Bureau file 62-83818.
 Report of Special Agent William E. Nummey, December 21, 1949
 at New York City.
 Report of Special Agent James S. Spratt, January 19, 1950
 at Norfolk.

DETAILS:

At Washington, D.C.:

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 5 - Bureau 3 - New York 2 - Washington Field Office		COPIES DESTROYED NOV 18 1964 277

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-REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN-

ADMINISTRATIVE PAGE

b7D

The referenced report of Special Agent James S. Spratt, sets out leads for the WFO to obtain further background information concerning Commander ELTON W. SUTERBIRG, U.S.N. and EDWIN F. BLACK, U.S. Army, both of whom are alleged to be contacts of the subject. The lead in connection with SUTERBIRG is disregarded inasmuch as it appears that he was transferred to San Francisco on January 25, 1949; further there is no indication that SUTERBIRG is implicated in any manner with the subject of this investigation.

The WFO files contain a PSQ executed by EDWIN FAHEY BLACK on August 6, 1947. BLACK was born August 17, 1915 at New Orleans, Louisiana and graduated from the United States Military Academy in 1940 with a B.S. in Civil Engineering; from 1940 to the present time he has been in the United States Army. He is now a Lt-Colonel stationed at the Pentagon where he is Secretary to the Scientific Advisor to the Policy Council of the Joint Research and Development Board, Office of Special Defense, Room 3 E 556 Pentagon.

Confidential Informant T-1, who is a reliable informant, has advised that BLACK has in the past queried personnel at the USSR Embassy with respect to a subscription to the INFORMATION BULLETIN OF THE USSR. On November 19, 1947, Special Agents W. Richard Giegor and Kennerly R. Corbett interviewed BLACK concerning his interest in the INFORMATION BULLETIN OF THE USSR. BLACK at this time explained that this publication had been furnished to the Military Library of which he was Officer-in-Charge and that while the publication had been furnished gratis he had maintained it in the library. At about the time of the interview a charge of \$2.50 semi-annually was made for the publication and BLACK discontinued it for the library stating that the interest in this periodical did not verify even so nominal a charge.

The reference report of Special Agent Nummey sets out a number of contacts of the subject in Washington, D.C. and requests that these contacts be identified.

ADMINISTRATIVE

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An asterisk prefacing a name indicates no record in the Washington Field Office indices.

CONTACT

LISTING

ADams 1306

DAVID CRIST, previously identified.

ADams 1935

Italian Embassy

DEcatur 6768

ANNE E. *WRIGHT, 1451 Park Road, N. W., a demonstrator at Woodward and Lothrop Department Store.

DIstrict 0087

THOMAS *FARRELL, Botez, local attorney.

EMerson 1605

*ELAINE *CHANDIOUX, 3612 Fessenden Street, NW, Office Secretary for Food and Agricultural Organization.

EXecutive 3491

Discontinued 12-27-48 for the *AIR UNION, INC., 1110-13th Street, N. W. There is likewise no record in WFO indices for HENRY L. *KNOGHT, the person, according to Agent NUMMEY's report, to whom this call was directed.

EXecutive 3712

Italian Technical Delegation,
740-11th Street, N. W.

EXecutive 6900

Law firm of COX, LANGFORD, STODDARD and CUTLER. Reference New York report reflects this call was made to LLOYD *CUTLER at the Fairfax Hotel but the listing does not support this conclusion. In connection with OSCAR *COX, T-2, a reliable informant has advised that COX has

[REDACTED]

According to T-3, a reliable informant of the New York Office, one [REDACTED]

[REDACTED]

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ADMINISTRATIVE

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Confidential Informant T-4, a reliable informant has advised that OSCAR COX was present in NYC on [REDACTED]
[REDACTED]

[REDACTED]
Hobart 4480
National 4420
North 3168
4430
Ordway 4351
REpublic 5962
REpublic 6026
WIsconsin 0851

WIsconsin 4121

WIsconsin 4251

Fairfax Hotel, Washington, D.C.

b7D

Willard Hotel, Washington, D.C.

Greek Embassy, Washington, D.C.

Cannot be determined since no exchange is listed.

*Mrs. FRANK O. McNEW, 2254 Old Place, NW

Austrian Commission, 1832 K Street, NW.

Auxiliary line to the Austrian Commission.

*HENRY L. KNIGHT, an attorney who resides at 5308 Moorland Lane, Bethesda, Md. KNIGHT's office is at 1110 13th Street, NW, which may explain the call made to EXECutive 3491 mentioned above as discontinued for the Air Union, Inc.

THOMAS A. FARRELL, 421 Cummins Lane, Chevy Chase, Maryland

*JAMES B. SPARKS, Jr., 6652 Hillander Road, Chevy Chase, Md.

The referenced New York report indicates this call was made to one POARO SARO. There is no listing for SARO in the Washington City phone book or directory. There is likewise no reference to him in the WFO indices.

JAMES B. SPARKS is a building contractor and maintains an office at 3274 Chestnut, NW.

Discontinued 8/10/48 to *Captain C.H. MURPHY, USN 4116 Garrison Street, NW. MURPHY's wife is one DOROTHY B. MURPHY.

WOODLEY 9195

[REDACTED]

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INFORMANTS

T-1

Z

T-2

b7D

T-3

T-4

[REDACTED]

Report of SA T.W. Dawsey entitled "National Lawyers Guild; Internal Security - C", dated May 15, 1941 at Washington, D.C. Information therein concerning COX is attributed to an anonymous source.

Bank's Links to Ex-CIA Men Detailed

Australian Probe Ties Defunct Nugan Hand To Former U.S. Agents

By JONATHAN KWITNY
Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Few men have had more to do with U.S. covert operations in the cold war than Theodore G. Shackley. Before he retired from the Central Intelligence Agency after 30 years' service in September 1979, Mr. Shackley had led the secret war against Cuba, the secret war in Laos, been CIA station chief in Saigon at the height of the Vietnam war and then No. 2 man running the clandestine services division at CIA headquarters in Langley, Va.

And according to an Australian government report, Mr. Shackley is among several high-level U.S. spies, or former spies,

Second of two articles.

who dealt with the scandal-ridden Nugan Hand international banking group much more extensively than was previously known. The group of intelligence agents with ties to Nugan Hand also includes Mr. Shackley's longtime CIA subordinate, Edwin Wilson, recently convicted of illegal arms sales to Col. Muammar Qadhafi's Libya.

The Australian government report, prepared and released to Parliament in March by the Commonwealth-New South Wales Joint Task Force on Drug Trafficking, cites Mr. Shackley as one of the leading characters whose "background is relevant to a proper understanding of the activities of the Nugan Hand group and people associated with that group."

Mr. Shackley declined to be interviewed for this story, but a letter from his attorney says Mr. Shackley was "formally advised" by an Australian detective who helped compile the report that he wasn't suspected of illegalities.

Contacts With Michael Hand

The report says that Mr. Shackley had worked closely with Mr. Wilson in the CIA since 1955 and that Mr. Shackley "continued a close relationship with him (Wilson) whilst Wilson was employed by (U.S.) Naval Intelligence" from 1971 to 1976, "and after that." The report refers to contacts between Mr. Shackley and Michael Hand, the currently missing former CIA operator who founded, owned and managed the Nugan Hand banking group. Mr. Hand's partner, Australian Frank Nugan, died of a gunshot wound in January, 1980, later ruled a suicide, and Nugan Hand failed a few months later.

Investigations following Mr. Nugan's death and the failure of the bank revealed widespread dealings by Nugan Hand with international heroin syndicates, and evidence of mammoth fraud against U.S. and foreign citizens. Many retired high-ranking Pentagon and CIA officials were executives or consultants to Nugan Hand.

The Australian report says Mr. Shackley corresponded and occasionally met with Mr. Hand in "the second half of 1979." Among the arrangements they reportedly discussed was an aborted plan to sell valves and flanges used in the oil industry. That plan involved Dale Holmgren, former manager at a CIA-owned airline in Asia, who had become the Nugan Hand representative in Taiwan.

The report says several other prominent people dealt with the Wilson group during the years. Mr. Wilson was earning millions of dollars supplying high-technology weapons, trained experts and explosives to Libya. Among them are Donald Beazley, president of the Nugan Hand group in 1979 and 1980, and now president of City National Bank in Miami, and retired Rear Adm. Earl P. "Buddy" Yates,

former deputy chief of staff for the U.S. Pacific command and president of the Nugan Hand Bank from 1977 on.

Ball Fund Proposal

Adm. Yates, who lives in Virginia Beach, Va., as he did throughout his Nugan Hand service, declined to be interviewed for this story. In a written statement, he denied he had ever knowingly met Mr. Wilson or Mr. Wilson's partner, Frank Terpil, currently a fugitive. The Australia report says Adm. Yates met with Mr. Wilson, and later with Mr. Terpil, to discuss Nugan Hand participation in port and airport construction projects in Libya. A deal never materialized.

The report also says that Adm. Yates was approached to establish a \$1.4 million ball fund through Nugan Hand for international dope couriers caught in the U.S. The money was to be deposited overseas and drawn out in the U.S.

According to the report, Adm. Yates rejected the proposal, saying it would be legal but bad for Nugan Hand's reputation. The report says Adm. Yates couldn't recall for investigators who made this proposal.

Mr. Beazley, in interviews with this newspaper, has said since the Nugan Hand affair began that he was unaware of any wrongdoing at the bank or any involvement with intelligence organizations. But the Australian report expresses dissatisfaction with his explanation of his activities at Nugan Hand. (More recently Mr. Beazley has had his name in newspapers because Alberto Duque, who owns 55% of City National Bank, of which Mr. Beazley is now president, has been charged in civil suits filed in various courts with defrauding other banks of about \$120 million through another Duque concern, General Coffee Co. Mr. Duque has denied the charges and Mr. Beazley has said he isn't affected by the suits against Mr. Duque.)

The new Nugan Hand report raises particular questions about Mr. Beazley's 1980 purchase of a London bank. (The bank was then known as London Capital Securities Ltd., it was best known under its former name, Stonehouse Bank, because of an earlier financial scandal, and is currently known as City Trust Ltd.) The purchase began as a Nugan Hand acquisition, and concluded with Mr. Beazley "as the nominee for" a Cuban-born former CIA contract agent named Ricardo Chavez, and possibly other members of Mr. Wilson's group, who apparently used Nugan Hand money, the report says.

Sale to Libya

Mr. Chavez was in the CIA's anti-Castro program, which Mr. Shackley helped supervise. At the time of the London banking deal, both Mr. Chavez and Mr. Shackley were working for A.P.I. Distributors, an international trading firm funded with \$500,000 lent by Mr. Wilson. According to the report, it shared office space in Houston with a Wilson company that helped sell 20 tons of plastic explosives to Libya, for which Mr. Wilson was convicted. A.P.I. was headed by Thomas Cline, who had just retired after 30 years with the CIA, most recently as training director of the clandestine services branch under Mr. Shackley. Another former covert agent, Rafael "Chi Chi" Quintero, also was an executive at A.P.I.

The report says Mr. Beazley helped run the London bank for Mr. Chavez until Mr. Beazley resigned in October 1980 to run Gulfstream Banks in Florida. It says that Mr. Chavez was "quite likely" little more than a nominee for Mr. Cline in the London bank, as Mr. Chavez himself lacked funds.

The report says Mr. Beazley purchased the London bank with \$300,000 in cash and travelers checks brought by Maurice Bernard Houghton, a mysterious Texan who showed up in Australia as a saloon impresario during the Vietnam war "R and R" program, and stayed to become a Nugan Hand executive. Mr. Houghton was inexplicably close to many military and CIA men; among other things, he recruited Adm. Yates for Nugan Hand.

Maj. Gen. Richard C. Secord, who recently retired as Middle East adviser to Secretary of Defense Caspar Weinberger, had met Mr. Houghton in 1972 in Hawaii, at the home of a colonel, the report says. They met occasionally after that, the report adds, and Gen. Secord introduced Mr. Houghton to Messrs. Cline and Shackley. Mr. Shackley and Mr. Houghton worked for, awhile on two abortive oil transactions, the report says.

Among Mr. Houghton's assignments for Nugan Hand was running its operations in Saudi Arabia. He collected large cash deposits from U.S. and other foreign nationals working there, and took them out of the country, often after converting them into travelers checks. An estimated \$5 million to \$10 million was lost by these depositors in the collapse of Nugan Hand.

The Australian report says that at least some travelers checks taken or sent out of Saudi Arabia were used in the London bank purchase, which involved Mr. Chavez and possibly Mr. Cline, both business associates of Mr. Shackley. The report says Mr. Beazley approved by phone Mr. Houghton's cashing at least \$52,000 of travelers checks at the London bank for his personal account.

The report says Mr. Houghton was meeting frequently with Mr. Wilson in Geneva at about this time, trying to arrange a \$22 million letter of credit for a Libyan arms deal. Twelve days before Mr. Hand fled Australia, Mr. Cline visited Mr. Houghton there; they were overheard discussing arms sales and left together, the report says. Mr. Houghton was listed as missing until he showed up in Australia a year later.

Mr. Beazley told investigators he had accepted Mr. Houghton's word that Mr. Chavez was just "a wealthy Mexican who wanted to diversify."

But the investigators who interviewed Mr. Beazley concluded, "Beazley appeared to be vague and distant from those matters which one would reasonably expect a person of his profession to be conversant and particularly familiar with. . . . There appears to have been a distinct lack of formality and background knowledge which one tends to expect from conservative bank administrators."

Among the high-level retired Pentagon and CIA officials associated with Nugan Hand were former CIA director William Colby, who was its attorney; three-star Gen. LeRoy J. Manor, former chief of staff for the Pacific, who headed its Philippine operation; Gen. Edwin Black, former high-ranking intelligence official, assistant Army chief of staff for the Pacific and executive vice-president of the Freedoms Foundation, who had various assignments; Gen. Eric Coker Jr., former national commander of the American Legion, who provided its Washington office; Walter McDonald, former deputy director of the CIA, who has said he devoted most of his consulting business to Nugan Hand, and several top former CIA field men.

All have denied knowing of any wrongdoing or intelligence connections by the bank, or couldn't be reached. The report notes that "for the most part the U.S. personnel to whom greatest suspicion has been attached by the media and others, and who form the basis for allegations of officially sanctioned U.S. intelligence involvement with the Nugan Hand group, were connected with the group for a relatively short time only prior to its collapse in early 1980."

It adds that there are "perhaps" several exceptions to this, particularly Adm. Yates and Gen. Black.

Drug and fraud transactions discussed in earlier reports by the same task force weren't discussed again in the new report. The report, as made public, said large chunks were deleted to avoid interfering with active investigations by law enforcement agencies. In addition, the Australian government recently appointed a new special commission, with broader powers, to delve further into Nugan Hand over at least the next year.

163-4-1A-24

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 1 1983	
LEGAT CANBERRA	